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SUBJECT: MEDIA REACTION: CROSS-STRAIT RELATIONS

¶1. Summary: Taiwan's newspapers March 16 focused their coverage on the raids led by Taichung prosecutors at the Veutron Corporation's offices in Taipei and Hsinchu Thursday to investigate an alleged insider trading case. The other focus today is President Chen Shui-bian's announcement that, starting July 1, compulsory military service will be shortened to 14 months from the present 16 months.

¶2. In terms of editorials and commentaries, the pro-independence "Liberty Times" urged in its editorial that the Taiwan people should remain vigilant of China's "soft" policies toward Taiwan and the efforts of Taiwan's unification forces to cooperate with China. A commentary in the pro-independence, English-language "Taipei Times" said that China's so-far subtle adjustment of its Taiwan policy is significant. Another commentary in the pro-independence, English-language "Taipei Times" said that if pro-independence voices can gain a majority in the legislature and hold on to the presidency next year, then the DPP can arbitrate with the U.S., challenge China and do battle with the KMT with full confidence. An editorial in the pro-unification, English-language "China Post" said that the DPP's "de-Sinification" attempt to cut Taiwan's ties with China will not help the party in winning the 2008 presidential election. End summary.

¶3. Cross-Strait Relations

A) "The Biggest Warning to Taiwan is its Deeper Reliance on China"

The pro-independence "Liberty Times" [circulation: 600,000] editorialized that (03/16):

"... In fact, the passage of the Anti-Secession Law is not a concern, but we should be vigilant of the transformation of China's Taiwan policy over the past two years. ... Over the past two years, China has made several offers; no tariff for Taiwan fruit imports, a pair of free pandas, loans to Taiwan business people, scholarship for Taiwan students, permission for Chinese tourists to visit Taiwan, etc. ... Regrettably, although most Taiwan people have understood China's vicious intentions, the unification forces in Taiwan have echoed with China. Lien Chan [KMT Honorary Chairman] and James Soong [former PFP Chairman] have proactively visited China to 'present tribute' after they lost the presidential election in 2004; the pan-Blue alliance has blocked the passage of the U.S. arms deal in the Legislative Yuan; the KMT-CPC Economic Forum is going to take place in the near future; Lien Chan reportedly will sign a "Cross-Strait Peace Treaty" with China's President Hu Jintao, etc. These are tricks that show that the pan-Blue camp has ignored Taiwan's national security and has colluded openly with China. ..."

B) "PRC Begins Engaging DPP Officials"

Lin Chong-pin, former Deputy Defense Minister, President of the

Foundation on International and Cross-Strait Studies opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] that (03/16):

"... China's so-far subtle adjustment of its Taiwan policy is significant in three aspects. First, Beijing is beginning to shed its self-imposed taboo of boycotting the DPP administration to prepare for the likelihood of another four - if not more- years of DPP rule after President Chen steps down. It has come to realize that avoiding contacts with the DPP administration hinders its efforts to win over Taiwanese and does not help promote its unification cause. With the limited time left in his term as president, Chen Shui-bian could continue to be the target of Beijing's criticism and at the same time be separated from the rest of the DPP officials who Beijing wishes to engage.

"Second, China seems satisfied with its tactic of constraining Taipei through Washington. Last September, Chen Yunlin told his U.S. audience that President Chen would make an announcement that Taiwan would revise its Constitution. When the warning later materialized, Beijing's work on Taiwan in Washington became more effective. Beijing used to react strongly to Taiwan's pro-independence "provocations," but it has learned to remain calm, leaving Washington with the task of admonishing Taipei.

"Third, this year may pass without cross-Strait tensions. China has learned to refrain from attacking Taiwan's presidential candidates lest they alienate Taiwanese voters. Moreover, it is fully occupied with preparing for the 17th Party Congress this coming fall, which is more vital to the Chinese leaders than Taiwan."

C) "'Anti-Secession' Law has the Opposite Effect"

Cao Changqing, a writer based in the U.S., opined in the pro-independence, English language "Taipei Times" [circulation: 30,000] that (03/16):

"... Whether or not China uses force against Taiwan will of course first be decided by China's domestic economic and political situation, and secondly by the attitude of Taiwan's leaders. ...

"When People First Party Chairman James Soong and former KMT Chairman Lien Chan visited Beijing in 2005, it seemed that everyone in China, from officials to commoners, was gripped by unification fever. China has shied away from any bully-boy tactics against Taiwan during the past two years, and one clear reason is that the 'Anti-Secession' Law did not produce any of the effects that had been hoped for.

"Popular opinion in Taiwan has also played more of a role in deciding the attitude and policies Beijing adopts in dealing with Taiwan. If the legislature continues to be led by the pan-Blue alliance, then Beijing will continue to hope. If the Democratic Progressive Party (DPP) loses next year's election, Beijing will be even more confident.

"On the surface, Taiwan's position in the international community to a large extent is determined by the attitudes of China and the U.S. But in reality, the Taiwanese are the masters of their own fate. If pro-independence voices can gain a majority in the legislature and hold on to the presidency next year, then the DPP can arbitrate with the U.S., challenge China and do battle with the KMT with full confidence that it is right. The ineffectiveness of the 'Anti-Secession' Law at least proves this much."

D) "DPP's Attempt to Cut Ties with China will Backfire"

The pro-unification, English language "China Post" [circulation: 30,000] said in its editorial (03/16):

"The Presidential Office, in a further move to separate Taiwan from China, has reportedly removed from its premises all the iconic signs of the Republic of China's founding father, Dr. Sun Yat-sen.

"The Presidential Office has removed a Dr. Sun portrait from the wall facing the front gate and put in its place a potted plant, according to the Central News Agency (CNA).

"Presidential Spokesman Lee Nan-yang was cited by the CNA as saying that the change was merely an adjustment to the presidential building's interior.

"He asked the public not to 'over-interpret' the change.

"Who was he trying to fool? The Democratic Progressive Party (DPP) does not have to whitewash its campaign to rid Taiwan of its Chineseness. It's an open secret that the DPP, in its attempt to make Taiwan an independent state, has been making every move to de-Sinicize the island. The campaign has been intensified as the 2008 presidential election approaches.

"But will the strategy work?

"A total of 72.9 percent of those who responded to a recent survey by the mass-circulated China Times disapproved of the ruling party's current campaign to de-Sinicize Taiwan. Only 15.2 percent of those polled supported it. Moreover, 63.3 percent in the survey believed the DPP's recent actions will provoke communal strife and arouse political controversy.

"There is a good chance, as things stand now, that the DPP will lose next year's presidential election because, since it came to power seven years ago, the party has done little to make itself worth the trust of the people. It is now again using a device that it believes never fails - arousing strife between native Taiwanese and residents who the party claims are from the outside.

"This tactic used to be effective sometimes. But the DFPP is going overboard. It will finally find it is the very victim of the ruse."

YOUNG